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Programme budget for the biennium 2002-2003

Conversion into established posts of some temporary assistance posts financed under section 2 of the programme budget

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Interim report on results-based budgeting for the biennium 2002-2003

Fifteenth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee has considered the reports of the Secretary-General on conversion into established posts of some temporary assistance posts financed under section 2 of the programme budget (A/57/473); cases in which incumbents of posts are being paid at a level other than the one provided for the post (A/57/466); presentation of estimates of staff assessment (A/57/464); additional expenditures deriving from inflation and currency fluctuations (A/57/471); comprehensive review of the post structure of the United Nations Secretariat (A/57/483); and interim report on results-based budgeting for the biennium 2002-2003 (A/57/478). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information and clarification.

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I. Conversion into established posts of some temporary assistance posts financed under section 2 of the programme budget

2. The report of the Secretary-General (A/57/473) was submitted pursuant to the request of the General Assembly in its resolution 56/253 for specific proposals for the conversion of some temporary assistance posts financed under section 2, General Assembly affairs and conference services, of the programme budget (A/56/6 (sect. 2)), into established posts wherever that would measurably lead to higher efficiency and better quality of services. The Advisory Committee notes that it is the intention of the Secretary-General to evaluate the utilization of the temporary assistance resources before proposals are made for the conversion of such resources to established posts and that, should the evaluation support the conversion of resources, the necessary recommendations could be made in the context of the proposed programme budget for the biennium 2004-2005 (see ibid., para. 3).

3. **The Advisory Committee recommends that the General Assembly take note of the report of the Secretary-General.**

II. Cases in which incumbents of posts are being paid at a level other than the one provided for the post

4. The report of the Secretary-General (A/57/466) is submitted in response to a request contained in General Assembly resolution 56/253. The Advisory Committee notes that as at 1 September 2002 there were 155 regular budget posts across all budget sections encumbered by staff whose personal grades were lower than the level of the occupied post. According to the Secretariat, this occurrence is not unusual, and it reflects managerial decisions by the heads of departments and offices to place, for a limited period of time, staff having sufficient qualifications and experience against the vacant posts, pending the completion of recruitment or placement of staff against those posts in accordance with the procedures of the staff selection system (see ibid., para. 3).

5. In addition, the Advisory Committee notes that at the time of the review, one case of a post encumbered by a staff member whose personal grade was higher than the budgeted level of the post had also been identified. It was explained that that was an exceptional case reflecting the Secretary-General's decision within his prerogatives and responsibilities as the Chief Administrative Officer of the Organization under the Charter of the United Nations (see ibid., paras. 4-5).

6. **The Advisory Committee recommends that the General Assembly take note of the report of the Secretary-General.**

III. Presentation of estimates of staff assessment

7. The report of the Secretary-General (A/57/464) was submitted pursuant to paragraph 14 of General Assembly resolution 56/253, in which the Assembly requested the Secretary-General to report on options in regard to the format currently used for the presentation of estimates, gross and net, of staff assessment,

with a view to enhancing comparability with other organizations of the United Nations system.

8. The report contains an analysis of the current arrangements in use for staff assessment within the organizations of the United Nations system (ibid., paras. 6-10). According to the Secretary-General, these arrangements may be grouped into three broad categories, as follows: (a) organizations with a budgetary presentation on a net basis, with staff assessment added as an additional line item to arrive at a total budget or total appropriation on a gross basis, and with offsetting credits under tax equalization fund arrangements; (b) organizations with a budgetary presentation and total appropriation on a net basis, with reimbursements received under a tax reimbursement agreement; and (c) organizations with a budgetary presentation on a gross basis at the section level (i.e., staff costs under each budget section include any applicable taxes to be paid for staff members), with no reimbursement arrangements with member States in respect of taxes.

9. **The Advisory Committee shares the view of the Secretary-General (see ibid., para. 10) that, given the different arrangements in use at present throughout the United Nations system, a change in presentation from the format currently followed by the United Nations would not enhance overall comparability. The Committee recommends that the General Assembly take note of the report of the Secretary-General.**

IV. Additional expenditures deriving from inflation and currency fluctuations

10. The report of the Secretary-General (A/57/471) was submitted pursuant to paragraph 44 of General Assembly resolution 56/253, in which the Secretary-General was requested to submit an updated study on a comprehensive solution to the problem of additional expenditures deriving from inflation and currency fluctuations, taking into account Assembly resolution 41/213. The report recalls much of the earlier reviews of the issue of additional expenditures deriving from inflation and currency fluctuations and provides an updated study, taking into account the fluctuations in exchange rates and inflation experienced in recent years. The report also includes information previously recommended by the Advisory Committee for inclusion in subsequent reports on the subject.

11. The Advisory Committee notes from the report that the information contained therein did not give rise to any new solutions to the problem of additional expenditures deriving from inflation and currency fluctuations and that many of the earlier reviews and analyses on the subject remained relevant to the issue (ibid., para. 19).

12. **The Advisory Committee recommends that the General Assembly take note of the report of the Secretary-General.**

V. Comprehensive review of the post structure of the United Nations Secretariat

13. The report of the Secretary-General (A/57/483) is submitted pursuant to General Assembly resolution 54/249, in which the Secretary-General was requested to undertake a comprehensive review of the post structure of the United Nations Secretariat, taking into account the introduction of new technology, and to make proposals in the proposed programme budget for the biennium 2002-2003 to address the top-heavy post structure of the Organization. In its resolution 56/253, the Assembly noted with concern that the requested comprehensive review had not been submitted, and reiterated that the review should be submitted to it at its fifty-seventh session.

14. The Advisory Committee notes the view of the Secretary-General that the main conclusion that could be drawn from the comprehensive review was that the current post structure and distribution of posts in the Secretariat did not indicate any apparent anomalies that could be characterized as top-heaviness of the Secretariat structure vis-à-vis comparative post structures in other international organizations.

15. The Advisory Committee was provided with additional information on the post structure of the Secretariat; the Committee intends to use this information in the context of consideration of the proposed programme budget for the biennium 2004-2005. **The Committee recommends that the General Assembly take note of the report of the Secretary-General.**

VI. Interim report on results-based budgeting for the biennium 2002-2003

16. The report of the Secretary-General (A/57/478) was submitted in response to the request contained in General Assembly resolution 56/253. In the course of its review, the Advisory Committee also had before it a note by the Secretary-General transmitting a report of the Office of Internal Oversight Services on the implementation of all provisions of Assembly resolution 55/231 on results-based budgeting (A/57/474).

17. The Secretary-General indicated that the implementation of results-based budgeting had prompted managers to take a closer look at the raison d'être of their programmes, particularly in terms of the problems to be addressed, and to systematically track information on the progress made towards solving those problems; all Departments had acknowledged and welcomed the need for a change in the management culture by looking beyond the delivery of outputs and services and focusing more on the results of their work (A/57/478, para. 55).

18. The Advisory Committee will follow up and present its views on the implementation of results-based budgeting in the context of its consideration of the proposed programme budget for the biennium 2004-2005. **The Committee recommends that the General Assembly take note of the report of the Secretary-General.**